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BEFORE THE

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Federal Communications Commission

WASHINGTON, D.C.

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JUN 16 1998
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
1998 Biennial Regulatory Review --)
Streamlining of Mass Media)
Applications, Rules, and Processes)

MM Docket No. 98-43

To: The Commission

COMMENTS OF NORWEST COMMUNICATIONS FINANCE DIVISION

Norwest Communications Finance Division ("Norwest"), a division of Norwest Bank Minnesota, N.A., hereby submits the attached comments on the Commission's proposals made in Notice of Proposed Rulemaking in the above-referenced proceeding. The attached comments are specifically addressed to the Commission's proposal to adopt new versions of FCC Form 314 and 315 which would not require information about the price of the station being sold. As set forth in the attached comments, the lack of pricing information may hinder senior leaders in making lending decisions, thus restricting the availability of capital to those in the broadcast industry.

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Norwest respectfully requests that these comments be accepted.

Respectfully submitted,

**NORWEST COMMUNICATIONS
FINANCE DIVISION**

By: _____

David D. Oxenford

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Dated: June 16, 1998



June 16, 1998

Norwest Bank Minnesota, N.A.
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Sixth and Marquette
Minneapolis, Minnesota 55479-0001
612/557-1234

Federal Communications Commission
1919 M Street
Washington, D.C. 20554

Re: Proposed Elimination of Disclosure of Broadcast Purchase Prices

To Whom it May Concern:

I am writing to comment on the impact that non-disclosure of purchase prices would have on senior lenders to the broadcasting industry. It is my belief that this proposed regulatory change would not achieve the FCC's desired objective of new owner expansion. In fact, the elimination of this particular regulatory requirement may have an opposite result, by hindering a new owner's access to senior debt financing.

Norwest Communications Finance has been providing senior debt to broadcasters in excess of 12 years. Our track record during this tenure has been stellar, due in large part to our sound underwriting parameters. A key part of our underwriting process relates to estimating a broadcaster's business value appropriately. If we over-value a broadcaster, we are at risk of loan losses in the event of a liquidation. On the other hand if we under-value a broadcaster, we run the risk of failing to meet a customer's or prospect's senior debt needs. As a result, the valuation methodology that we employ is somewhat complex and involves a number of key variables, not the least of which is historical purchase prices of various broadcast properties. Without access to purchase price information, the tracking of trading multiples would be impeded, which would in turn restrict the validity of our valuation methodology.

Some people would make the argument that because traditional senior lenders are able to make loans without having access to public records of purchase prices, broadcast lenders should be able to do the same. This argument, however, is not entirely valid. Valuing intangible assets, such as a broadcast license, is much different than assigning a value to a pool of receivables, inventory and equipment. The fact that the value of a broadcaster is not found in the sum of its parts, but rather in its right to broadcast, creates an atmosphere where third party validation of average purchase prices is important.

I hope that this information has been helpful and provides you with some insight regarding the importance of purchase price information to broadcast lenders such as Norwest Communications Finance.

Sincerely,

A handwritten signature in cursive script that reads 'Karen Dorn'.

Karen A. Dorn
Vice President and Division Manager
Norwest Communications Finance